



CRATER EXPLORATION, INC.

954 East 7145 South, Suite 202
Midvale, Utah 84047

29 April 1983

RECEIVED
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DIVISION OF
OIL, GAS & MINING

Mr. Cy Young
Engineering Geologist
State of Utah DOGM
4241 State Office Bldg.
Salt Lake City, UT

Dear Mr. Young:

We hereby apply for an exploration permit on the Cato Placer Property for investigation and testing of the material in a placer operation. We have already filed an application for a mining permit on that property, but certain questions have arisen concerning the material that we would like to have resolved prior to full scale operation.

LOCATION OF PROPERTY

The property is located in Grand County in the south half of Section 8, T 23 S, R 24 #, S.L.B. & M. (See enclosed map.)

PRESENT DISPOSITION OF PROPERTY

The property is owned by the DeOro Co. of Monticello, Utah. The mineral rights are held by the Federal Land Bank of Sacramento, California. Enclosed please find a letter from the owners giving us permission to enter the property for said exploration purposes. The ground is presently being farmed by the owners. Grains have been their primary crops.

ACCESS

Access is achieved through the existing driveway off Utah Highway No. 128 into the property approximately 1 mile East of the Dewey Bridge. No new roads or driveways are anticipated for the property during the exploration phase.

EXTENT OF EXPLORATION

Exploration is to be comprised of excavating and processing of sufficient quantities of material to determine the depth and uniformity of the material and its compatibility with our proprietary placer recovery system. The disturbed ground will be less than 2 acres total during the exploration.

TIME SCHEDULE

We plan to start the exploration process as soon as we receive per-

mission from you and it is to continue for approximately 45 to 90 days maximum. Your helping us to expedite the issuing of a permit would be very appreciated as we are limited on time by our funders to arrive at definite conclusions concerning the productivity of the property.

RECLAMATION

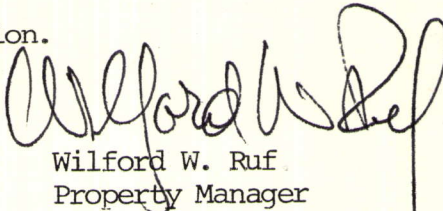
Since the property is presently being farmed we plan to restore the disturbed ground as nearly as possible to its present grade and agricultural use. Since the material is strictly an alluvial deposit, there is at the present no noticeable gradation between top soil and subsoil. Therefore, there is no need for storing topsoil and the material will be returned in like manner, so as to get the approval of the property owners. The owners will decide in cooperation with the United States Soil Conservation Service what their crops will be. Any excavation will be confined to areas at least 25 feet away from the Colorado River high water line. No existing river banks will be disturbed.

OPERATION AND PERSON IN CHARGE

The operator will be Crater Exploration, Inc., 954 East 7145 South, Midvale, Utah 84047. Person in charge of the exploration operation will be Ray Francm.

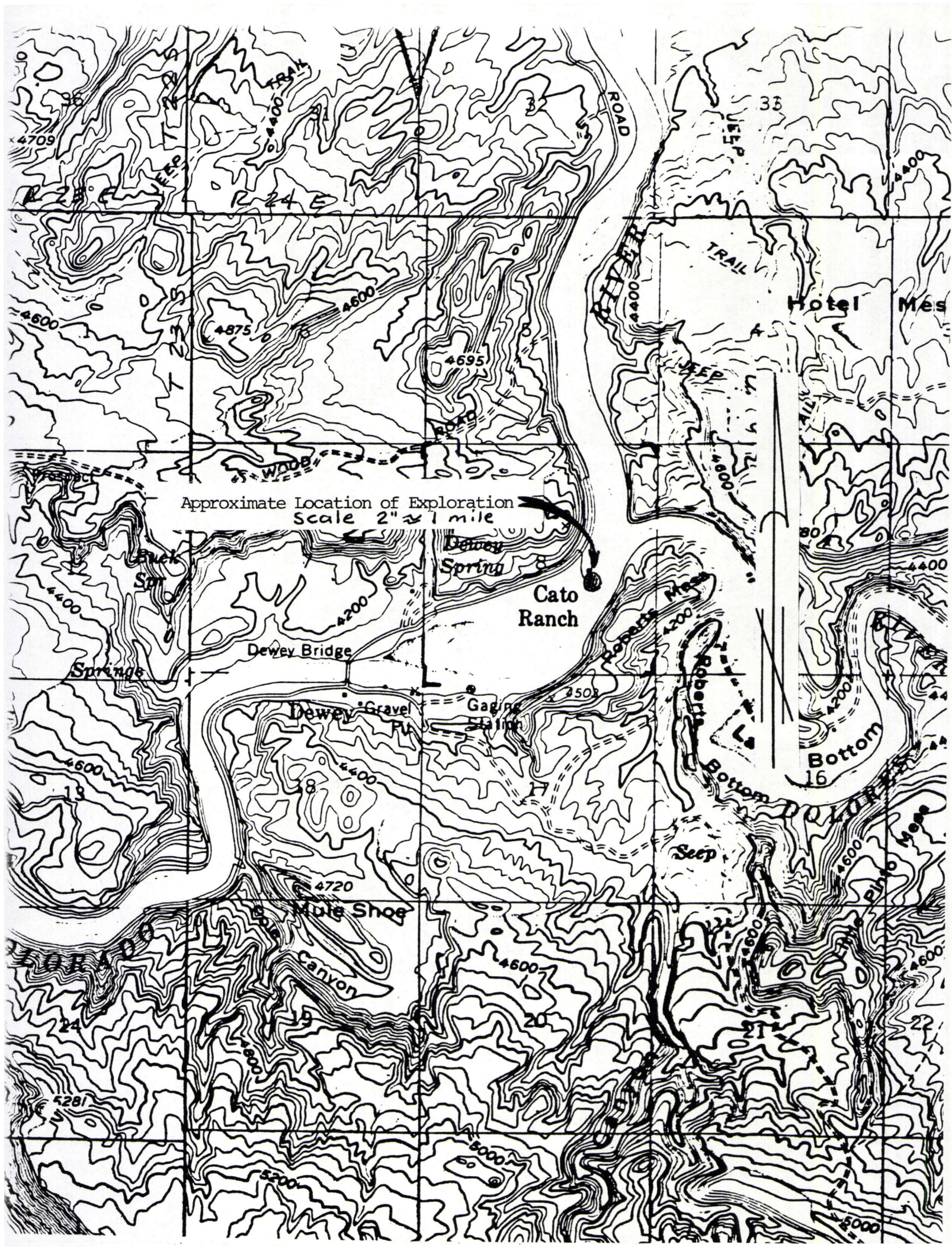
If you have any further questions please feel free to call me at your convenience at 255-3183.

Thank you for your cooperation.


Wilford W. Ruf
Property Manager

Enclosures

- 1-Property Ownership Certificate
- 1-Area Plat



29 April 1983

To Whom It May Concern:

I, the undersigned, Frederick A. Rogers, declare that I am the authorized agent for DeOro Co., a Utah partnership, Monticello, Utah and that we are the owners of the property known as Cato Ranch; that I hereby give permission to Crater Exploration, Inc., a Nevada Corporation, to enter upon the premises known as the Cato Ranch with personnel and equipment required to conduct whatever exploration deemed necessary to determine the productivity of said property for the recovery of precious and/or other heavy metals.

Frederick A. Rogers
Fredrick A. Rogers
Authorized Partner
DeOro Company

Subscribed and sworn to before me
this 29th day of April 19 83
Dave Pappas Notary Public
Residing at Monticello Ut. Utah
Commission Expires 11-8-84